



January 9, 2015

Governor Brown unveiled a summary of his proposed State Budget for fiscal year 2015-2016 on Friday, January 9th. The plan proposes a 1.4 percent increase in both the General Fund and total spending that includes all of the special funds in the budget. The total budget is proposed to be \$164.7 billion with a General Fund component of \$113 billion. There is \$534 million proposed for the reserve for economic uncertainty, which covers unexpected expenses in the current fiscal year, and \$2.8 billion will be set aside in the Rainy Day fund, technically the Budget Stabilization Account, that was strengthened by Proposition 2.

Expenditures under Proposition 1, the \$7.5 billion water bond act adopted in November, would total \$532.5 million under a multi-year plan based on the recently adopted Water Action Plan. The categories of proposed spending and the amount are provided below. Please note that all of the priorities and amounts delineated below require an appropriation from the Legislature:

- State Water Resources Control Board for Wastewater Treatment Projects: \$66.3 M
- State Water Resources Control Board for Safe Drinking Water Safe Drinking Water in Small Disadvantaged Communities: \$69.2 M
- State Conservancies for Watershed Projects: \$83.5 M
- Wildlife Conservation Board for Enhanced Stream Flow Projects: \$38.9 M
- Santa Monica and San Gabriel Conservancies for Urban Rivers and Creeks: \$19.1 M
- Department of Fish and Wildlife for Watershed Restoration Projects (Non-Delta and In-Delta): \$36.5 M
- Department of Water Resources for Integrated Regional Water Management Program: \$32.8 M
- Department of Water Resources for Water Conservation: \$23.2 M
- State Water Resources Control Board for Stormwater Management: \$0.6 M
- Department of Water Resources for Statewide Water System Operational Improvement: \$3.3 M
- Department of Water Resources for Water Recycling and Desalination: \$5.5 M

- State Water Resources Control Board for Water Recycling and Treatment Technology Projects: \$131.7 M
- Department of Water Resources for Groundwater Management Planning: \$21.3 M, and
- State Water Resources Control Board for Groundwater Contamination: \$0.6 M

The California Department of Food and Agriculture has a \$431 M budget with only \$76.4 in general funds. There are three significant adjustments:

- California Animal Health and Food Safety (CAHFS) Laboratory Network: The Budget includes \$4.3 million General Fund for the continued efficacy of the CAHFS laboratory network and to meet the operational needs of the new South Valley Animal Health Laboratory in Tulare. The CAHFS laboratory network protects California’s animal agriculture sector from animal disease. The laboratory network is the backbone of California’s early warning system to safeguard public health from food-borne pathogens, toxins, and diseases common to animals and humans, and to protect the health of California’s livestock and poultry populations. State law requires the CDFA to contract with the University of California, Davis School of Veterinary Medicine to establish and operate animal disease diagnostic laboratories for the purpose of conducting tests and examinations for, and diagnoses of, livestock and poultry diseases.
- California Fairs: CDFA is responsible for fiscal and policy oversight of the network of California fairs. General Fund support for California fairs was eliminated in 2011. Three years later, 15 fairs are fiscally challenged and at risk of closing. In recognition of the impact California fairs have on local economies and their educational and social benefits, the Budget includes \$3.1 million General Fund to assist with fair operations, improve the financial stability of smaller fairs statewide, and provide funding to support additional fair board training. The Budget also includes a one-time allocation of \$7 million General Fund for deferred maintenance at California fairs, which is part of a larger statewide effort to address the state’s infrastructure needs
- Healthy Soils: The Administration wants to promote increased carbon in soils to enhance numerous benefits including increased water holding capacity, increased crop yields and decreased sediment erosion. In the upcoming year, CDFA will work on several new initiatives to increase carbon in soil and establish long term goals for carbon levels in all California’s agricultural soils. CDFA will coordinate this initiative under its existing authority provided by the Environmental Farming Act.

The Budget also provides over \$1.2 billion in funding to support a coordinated framework for adult education, career technical education (CTE), workforce investment and apprenticeships. Given the complexity and relatively resource intensive nature of starting and updating CTE programs, the Budget proposes \$250 million in one-time Proposition 98 funding in each of the next three years to support a transitional CTE Incentive Grant Program. Unlike the existing Career Pathways Trust Program, school districts, county offices of education and charter schools receiving funding from this new transitional program will be required to provide a dollar-for-dollar match, and priority for these

state funds will be given to local educational agencies applying in partnership with other local educational agencies to offer regional programs.

To maintain eligibility for funding under the CTE Incentive Grant Program, recipients will need to demonstrate positive results across a spectrum of outcome measures, including high school graduation rates, CTE course completion rates, pupils obtaining recognized and certificates, the number of pupils achieving gainful employment in relevant occupations, and the number of pupils progressing to postsecondary education. This program is intended to accelerate the development of new and expanded high quality CTE programs during the next three years and provide opportunities for program growth.

Farm Bureau will be reviewing the new state spending plan once the details are released.